



**Opinion on the
draft strategic priorities of the European
statistics Annual Work Programme 2018**

10 March 2017

Part A: General comments

The European Statistical Advisory Committee (ESAC) welcomes the opportunity to provide its Opinion to the European Commission on the draft strategic priorities for the Annual Work Programme 2018, and to comment on their relevance, the balance of activities across statistical areas, the resources required and the costs of statistical production. The draft strategic priorities contribute to reaching the objectives set out in the multiannual programme and also take account of new emerging initiatives.

In the past year it has become clear that there are growing challenges to the way official statistics are used to inform citizens. Not only have official statistics been used in misleading ways¹, they are competing with unreliable data sources and false information that is quickly spread through social media. If citizens are not well informed or are being systematically misinformed, the social and political consequences could be very serious and public trust in official data is clearly put at risk. It now matters more than ever that both the general user and the potential user have a clear understanding of where to go for reliable data.

ESAC therefore calls on Eurostat and National Statistical Institutes (NSIs) to take a more strategic look at these challenges and the implications for those responsible for producing and disseminating official statistics. The work programme should include an indication of how the ESS is proactively dealing with these challenges, particularly in terms of communication with users and in the way the misuse of official data is publicly addressed.

Individuals and institutions should be clearly informed about the quality of different types of official statistics coming from the ESS and other European agencies. It is also important that they understand the true impact that statistics can have on their daily lives. In today's rapidly changing data environment, helping users know where to go, and what data can be trusted, is absolutely critical. Apart from deliberately misleading facts, there is also a clear potential threat to NSIs from commercial organisations using inadvertently misleading data. NSIs are better able to ensure good quality data, which are less affected by distortions.

Reinforcing the ESS brand is also very important. For example the professional independence of the ESS and Eurostat from individual national governments is a key asset which could be promoted more strongly when presenting European statistics. ESAC therefore welcomes the recent ESS Quality Declaration, which aims at better communicating what makes European statistics different from statistics from other information providers.

Regarding the burden of data collection on respondents, this should be minimized by first adapting appropriate administrative data and existing surveys where possible, before new surveys are established.

¹ <https://www.theguardian.com/politics/2017/jan/19/crisis-of-statistics-big-data-democracy>

In general, there is a continuing need for adequate geographical breakdowns of the published data, particularly in monitoring change in social conditions at sub-national level. ESAC appreciates that important work is already under way in different countries and in different statistical domains, in order to provide statistics down to NUTS 2 level. However, the aim should be to provide statistics broken down to at least NUTS 3 level to support national and regional policy-making.

Achieving an overall balance of activities in the work programme is no easy task, particularly when the demands for new information compete with additional objectives to improve the quality and efficiency of statistical production while limiting the burden on respondents. Although much can be achieved by making better use of existing data, the development and modernisation of statistics will continue to require access to adequate resources.

A final general issue concerns Brexit. ESAC assumes that this may have a consequence for European and possibly national statistics and would therefore welcome any information from Eurostat on how this will be handled.

Part B: Specific comments on the draft strategic priorities

Quality statistical information to support EU policies

INDICATORS

1. Europe 2020

The increasing role of indicators in policy- and decision-making at all government and geographical levels calls for more attention to the way indicators are developed, presented and used. This is highlighted in detail in the report of the ESAC workshop on indicators workshop held in The Hague in May 2016².

ESAC recommends that the work programme should take into account the points raised in this workshop, which were also expressed in the letter from ESAC to the Commission in October 2016.

With regard to the increasing work on social indicators to support the key priorities of the Juncker Commission, the work programme should also take into account that there is often a link between different social challenges in particular regions of the EU. Indicators on poverty and social exclusion are especially relevant to the Europe 2020 initiative and should allow for geographical breakdowns.

In particular, it will be essential to make clear progress towards more geocoding of European data to provide a deeper understanding of the situation at regional and local levels.

ESAC strongly supports the statement in the draft strategic priorities that

“key indicators must be consistent over time, i.e. free of breaks in the series”.

This is a very important strategic priority and has implications for the draft framework regulation on integrated European Social Statistics (IESS), which, when adopted could cause changes and breaks in time series. ESAC therefore recommends that the IESS framework Regulation should not apply until after the Europe 2020 strategy period, that is, from the year 2021.

For the time after 2020 it will still be important to have indicators that are comparable with the indicators provided up to 2020. When indicators are redefined or changed, appropriate backward projections must be provided. Key indicators as well as all sub-indicators should be taken into account. ESAC therefore also recommends that Eurostat should include the provision of comparable back data in their planning within the modernisation process for social statistics.

There should also be further attempts to better combine the work of "GDP and beyond" with the Europe 2020 monitoring and the monitoring of implementing the Sustainable Development Goals.

² <http://ec.europa.eu/eurostat/web/european-statistical-advisory-committee-esac/other-documents>

ESAC agrees that the joint analysis of income, consumption and wealth is necessary to provide a broad view on people's material living-conditions. At the same time, ESAC is sceptical that questions on wealth currently being tested can be successfully incorporated into a revised EU-SILC under the IESS framework regulation. Experience with the Household Finance and Consumption Survey shows that data collection on wealth is difficult and requires many questions to achieve good quality data.

2. Economic governance

Statistics on national accounts and government debt are crucial for economic governance. Therefore the proposed work to monitor the quality of these data and their comparability across countries is welcomed by ESAC. In addition, ESAC looks forward to the provision of more complete regional accounts data in 2018 following the expiry of specific ESA 2010 derogations in 2017.

With regard to implementation of the ESA 2010 rules and the work on introducing European Public Sector Accounting Standards (EPSAS), it is essential that there is an ongoing involvement of all levels of government. ESAC therefore welcomes the wording in the draft programme that foresees an active engagement of local and regional authorities in the EPSAS discussions. Given the key role of sub-national government for public investment in Europe, dedicated actions should be foreseen in the work programme for assessing and monitoring the regional impacts of these rules.

3. Economic globalisation

ESAC welcomes the ongoing work on further improving the indicators and statistical information available on economic globalisation and global value chains.

Economic globalisation may have disruptive effects on economic production indicators (GDP, GNI) at EU, national and regional levels, especially when reporting statistics on the production of enterprises belonging to multinational groups.

Given the current debate whereby the effects of globalisation are often portrayed as a threat to society leading to more divergence, ESAC believes that it is particularly important to provide adequate data – if possible at NUTS 2 level – to show the level of global interaction for cities and regions in Europe.

ESAC recommends that the planned improvements of the methodologies with regards to national accounts should therefore take into account the key role that regional GDP plays in the allocation of EU funds and the need to ensure the comparability of economic performance between regions and over time.

ACCOUNTING FRAMEWORKS

4. Economic and social performance

ESAC welcomes the plans to improve the availability of more timely data on inequality, poverty and social exclusion, and the development of links to the framework of national accounts in the areas of social protection, health and education.

In the long term ESAC would like to see regional performance included with economic and social performance. To reflect this, ESAC recommends an extension to the existing text for the 2018 priorities:

"In line with the Commission's key priorities on growth and job creation, the reduction of poverty and social exclusion, skills and mobility, the social indicators should assist in reinforcing the social dimension of the EU and EMU in the context of the European semester, the macroeconomic imbalances procedure, and the social and territorial impact analysis of the macroeconomic policies."

5. Environmental sustainability

ESAC supports the priorities for the further development of environmental accounts and climate change related statistics. High quality data on environmental statistics is an important basis for an effective environmental policy.

Furthermore, the strengthening of cooperation with other organisations is an additional way to reduce response burden and its inclusion in the strategic priorities is therefore welcomed by ESAC.

DATA

6. Business

ESAC welcomes the Framework Regulation for Integrating Business Statistics (FRIBS) in principle. However, ESAC has some concerns that the ESS will face some challenges with the implementation of FRIBS, particularly with regard to the implementation of the SIMSTAT micro-data exchange project for intra-EU trade statistics.

Nevertheless, the stronger focus on providing data for the collaborative economy is welcome. A better understanding of this new economy and its impact at national and sub-national levels will be essential to find positive responses to the challenges which it presents.

7. People's Europe

ESAC welcomes the progress being made with IESS. At the moment, IESS refers to the Labour Force Survey, the Survey on Income and Living Conditions, the Adult Education Survey and the European Health Interview Survey. However, there is no explicit reference to the annual household survey on ICT usage, which, like the other four surveys, also has a legal basis. For clarity, ESAC recommends that the ICT survey also be explicitly included within the scope of IESS. ESAC also wishes to be kept informed regarding the possible collection of Time Use data and Household Budget data as a key part of social statistics.

ESAC welcomes the priority being given to regional poverty indicators and migration statistics. Regarding migration statistics, ESAC encourages Eurostat to provide more data concerning this topic, to establish new data sources and to develop further cooperation between NSIs in this area. In addition, ESAC recommends that priority should be given to developing ways of measuring the extent to which refugees are integrated into society, which go beyond the labour market.

8. Geospatial, environmental, agricultural and other sectoral statistics

ESAC supports the plans to extend the development of spatial information alongside statistical data and notes that the focus of this work will be on geocoding the census 2021.

Given that the application of geocoding offers a number of important opportunities for social statistics and the monitoring of social policies, ESAC would like to see a reference to the systematic development of geocoding with regard to the preparation of the 2021 census in the EU. ESAC would like to be kept regularly informed about the work relating to the 2021 census and also about progress with the use of spatial information.

With regard to the text concerning the policy relevance of a “comprehensive range of regional as well as urban data”, it should be added that such data are also relevant to other EU policies that address economic, social and territorial cohesion. Furthermore, a reference could be made in the work programme to the increased efforts of DG REGIO and JRC to assess the territorial impact of EU policies.

ESAC notes that the Urban Agenda initiative creates new challenges for the collection of detailed geographical data on urban areas and metropolitan regions. Nevertheless, ESAC would like to underline that it is important that these data should be requested.

ESAC notes that work on improving the quality, methodology and timeliness of municipal waste statistics will continue in 2018, as will Eurostat's contribution to work on food waste, ecosystems and biodiversity. ESAC recommends that when developing indicators on the circular economy, additional response burden on enterprises should be avoided.

Regarding transport statistics, ESAC welcomes the increased territorialisation of freight transport included in the 2018 priorities.

New methods of production of European statistics

9. ESS quality management

ESAC notes the continuing activities in the area of ESS quality management, including discussions on the second revision of the European Statistics Code of Practice. As stated in its response to last year's consultation on the draft strategic priorities of the Annual Work Programme 2017, ESAC supports a revision of the European Statistics Code of Practice, as experience with the Code appears to indicate that some indicators need to be updated.

10. Priority-setting and simplification

In last year's consultation on the draft strategic priorities of the Annual Work Programme 2017, there was a reference in this section to activities to reinforce the cost-benefit analysis of products and to an assessment of costs of European statistics.

Although the draft strategic priorities for 2018 refer to continuing work in relation to effective priority-setting and simplification, ESAC recommends the inclusion of a more explicit reference to the actions planned in 2018 in relation to the cost-benefit analysis of products and an assessment of costs of European statistics.

11. Multipurpose statistics and efficiency gains in production

ESAC welcomes with great interest the work done at Eurostat and in the NSIs with regards to Big Data, looks forward to the results of the ESSnet Big Data becoming available during 2018 and supports the work planned in relation to the production and role of official statistics in the context of the Internet of Things.

However, as ESAC stated last year, the emphasis on Big Data developments should not undermine other efforts to improve methods of producing reliable statistical information from traditional means such as surveys.

In addition, effective collaboration and communication within the ESS remain important for ensuring that the modernisation of statistical production is accomplished uniformly across Member States.

12. Dissemination and communication

ESAC supports the DIGICOM project and all the initiatives to improve citizens' statistical literacy. While these developments are very necessary, they may not be enough. For example, given the current 'post factual' environment, it is important to improve the communication and dissemination of facts and figures to the various stakeholders through infographics and other easy-to-use instruments.

The development of a dedicated social media strategy is also important, and consideration should be given to integrating work on the Internet of Things and Smart Statistics into the DIGICOM project.

ESAC believes that there is a need for more inter-institutional co-operation – also with the consultative bodies – to provide a stable basis for more and better use of Eurostat data in the future.

Regarding the public misuse of official statistics, ESAC recommends that clear procedures should be established for Eurostat and the relevant NSI to quickly react to such misuse, e.g. by immediately issuing a press notice clarifying, with official figures, the ‘relevant’ misleading declarations. ESAC recognises that determining what types of misuse of statistics should be addressed in this way would be a difficult and sensitive task. It would therefore require clear protocols and close coordination between Eurostat and the NSI.

ESAC also recommends that further work should be carried out on labelling official statistics³ in terms of their quality, so that users have a clearer understanding of the quality and limitations of statistics coming from different official sources.

While it is important to take into account the needs of users, the needs of non-users (including survey respondents) should also be addressed in the work programme. In particular, ESAC recommends that some additional actions should be considered that aim to better understand who the non-users are and why they do not appear to be accessing and using European statistics.

One key issue in promoting official statistics to citizens is the level of statistical literacy in society. While there have been efforts in the past to promote statistical literacy, more could be done to measure the impact and the outcomes of the initiatives taken to promote it. Therefore ESAC recommends that Eurostat should explore the feasibility of undertaking a regular measurement of the level of statistical literacy in the EU among key target groups such as students, users and the public at large, in a standard and comparable way.

13. Training, innovation and research

ESAC appreciates the current European training and education activities in official statistics, such as the European Statistical Training Programme (ESTP) and the European Master in Official Statistics (EMOS).

In particular, ESAC supports the plans to address the skills required for the implementation of the ESS Vision 2020 through the ESTP, and the further development of collaboration between academia and statistical producers in relation to EMOS.

³ See also Recommended Action 21 in Professor Sir Charles Bean’s Independent Review of UK Economic Statistics (p. 15, p. 206):
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507081/2904936_Bean_Review_Web_Accessible.pdf

Partnership within the European Statistical System and beyond

14. Partnership

ESAC supports the prioritisation of initiatives to promote partnerships and networks with other European and international organisations. The ongoing development of common standards and data interoperability will be valuable for both capacity building and efficiency gains and will also have a positive impact for users. ESAC also welcomes initiatives to further cooperation between statistics and academia.